

SAMPLE INDEPENDENT AUDITOR'S REPORT FOR SCHOOL ACTIVITY FUNDS

We have audited the accompanying combined and individual fund balance sheets of ABC school Activity Funds as of June 30, 20_, and the related combined and individual statements of revenues and expenditures and changes in fund balances for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the schools' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note __ the financial statements were prepared in conformity with the accounting practices prescribed by the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

As discussed in Note __, the financial statements present only the activity funds of the City/County of Example Board of Education and are not intended to present fairly the financial position and results of operations of the City/County of Example, in conformity with generally accepted accounting principles in the United States of America.

In our opinion, because of the effects of the matter discussed in the preceding paragraphs, the combined and individual financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the ABC School Activity Funds as of June 30, 20_, or their changes in financial position for the year then ended.

Also, in our opinion, the combined and individual financial statements referred to above present fairly, in all material respects, the financial position of ABC School Activity Funds at June 30, 20_, and results of its operations and changes in its fund balances for the year then ended, on the basis of accounting described in Note__.

In accordance with *Government Auditing Standards*, we have also issued our report dated (date of report) on our consideration of the Activity Funds internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the combined and individual financial statements taken as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. As described in Note __, this supplementary information was prepared in conformity with the accounting practices prescribed by the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

SIGNATURE

DATE